

**COMMITTEE ON WAYS AND MEANS**

September 26, 2017

A meeting of the Committee on Ways and Means was held this date at 4:41 p.m.

**PRESENT (13)**

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Williams	District 2	Councilmember Seekings	District 8
Councilmember Lewis	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Riegel	District 10
Councilmember Wagner	District 5	Councilmember Moody	District 11
Councilmember Gregorie	District 6	Councilmember Wilson	District 12

**1. INVOCATION:**

The meeting was opened with a moment of silence provided by Councilmember Gregorie.

**2. APPROVAL OF MINUTES:**

On a motion of Councilmember Williams, seconded by Councilmember White, the Committee on Ways and Means voted unanimously to approve the minutes of the August 15, 2017 minutes. The minutes of the September 13, 2017 meeting were deferred.

**3. BIDS AND PURCHASES:**

On a motion of Councilmember White, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve the bids and purchases as follows:

**INFORMATION TECHNOLOGY: ACCOUNT: 062017-52740 APPROPRIATION: \$160,180.95**

Approval to purchase GETAC MDT's from lowest bidder (Newcom) for Police Department vehicles; Solicitation #17-B028R. This will provide 35 replacement Mobile Data Terminals (semi-rugged laptops) for Police vehicles as part of the 3-year rotation cycle to replace aging

units used for mobile dispatch and field reporting. This includes ninety (90) MDT docking-stations for Police vehicles to cover multiple Police Teams due to MDT model change.

**PUBLIC SERVICE: ACCOUNT: 956000-52206 APPROPRIATION: \$25,000**

Approval to process a change order to increase the contract by adding construction and debris removal with Carolina Waste & Recycling, LLC, 5246-B International Blvd., North Charleston, SC 29418; Solicitation #:13-P034R

**PUBLIC SERVICE: ACCOUNT: 956000-52206 APPROPRIATION: \$10,000**

Approval to process a change order to increase the contract by adding construction and debris removal with Republic Services of SC, LLC, 141 Fennell Rd., North Charleston, SC 29418; Solicitation #: 12-P023B

**4. BUDGET FINANCE AND REVENUE COLLECTIONS: APPROVAL OF AMENDMENT IV TO THE 2001 JOHNSON CONTROLS ENERGY PERFORMANCE CONTRACT FOR IMPROVEMENTS TO THE ENERGY AND OPERATIONAL EFFICIENCY OF CITY FACILITIES. THE SCOPE OF WORK INCLUDES IMPROVEMENTS TO 72 CITY FACILITIES INCLUDING BUT NOT LIMITED TO LED INTERIOR LIGHTING UPGRADES AND CONTROLS, PARKING GARAGE LIGHTING UPGRADES, R-22 EQUIPMENT REPLACEMENT, HVAC BUILDING CONTROLS IMPROVEMENTS, CHILLER REPLACEMENTS, MECHANICAL SYSTEM UPGRADES AND REPLACEMENT, MLK NEW POOL ENCLOSURE & UPGRADES, WINDOW REPLACEMENTS AT ST. JULIAN DEVINE, ICE SYSTEM REPLACEMENT AT MARITIME CENTER AND DISTRIBUTED ENERGY STORAGE AT GREENBERG MUNICIPAL COMPLEX. APPROVAL OF THIS CONTRACT GIVES THE MAYOR THE AUTHORIZATION TO ENTER INTO A LEASE PURCHASE AGREEMENT FOR APPROXIMATELY \$13.2 MILLION THAT WILL BE FUNDED THROUGH \$17.6 MILLION IN COST AVOIDANCE OVER A 15 YEAR TERM.**

Mayor Tecklenburg reported that the Sustainability Advisory Committee had just met and was in favor of the goals and objectives of the amendment. It was a tried and true method for the City to finance some needed improvements. What drove the amendment was the need to replace R-22 systems by the year 2020. The City had 140 of these systems, and the contract would replace 107 of 140, while staff would handle the balance. This was the immediate need for the amendment. Every City facility was looked at, including all of the City garages, and there was a proposal to replace all of the lighting with efficient LED. The City would have a savings of over 30 percent in energy usage and would also reduce R-22 usage, which was a greenhouse gas that destroyed the ozone layer. There were a couple of items for which the Committee felt there needed to be a little more study and information. This included the ice machine at the Maritime Center and whether the City needed to stay in the production of the ice business, even though the City could buy and sell it through someone else. Secondly, they wanted to look at the enclosure over the MLK pool, which he felt would be a great improvement to the facility, particularly with the community center that would be built by SC State across the street. The Committee looked at the energy savings of the enclosure, but the Committee

wanted the Recreation Committee to also look at the recreational aspects. The Sustainability Advisory Committee was asking the Committee on Ways and Means to defer the item for another meeting until they resolved the issues of the ice machine and swimming pool. Mayor Tecklenburg asked that the item be deferred for two weeks.

Councilmember White said he had a number of items to discuss, but since the item was being deferred, he would mention these for Johnson Controls to address in their review. He said if he was reading the tables correctly on pages 13-16, systems were outlined to be replaced, and many of these systems were less than five years old. The useful life of a commercial HVAC system was 15 years, on average. If they were three years old, they probably weren't running on R-22 anyway. There were 12 systems that were under five years old. He said replacing HVAC systems was tremendously expensive, and there was no break-down for cost per item. There was no way for him to know how much the City was going to spend, specific to HVAC, lighting, and other work. He asked for Johnson Controls to review this list. Anything that was under ten years old probably needed to stay. He said in regards to having to convert in 2020 outside of R-22, the reality was that, as long as those systems were maintained and stayed closed as they should be, there weren't any issues with them. If they were leaking, or something similar, then it became an issue. The reality was that when 2020 arrived, many people were not going to swap out working HVAC systems for new systems. He wanted Johnson Controls to look at the age, and he also wanted a breakdown of the actual costs for all of the systems. He said the City would be spending \$13,000,000, and he wanted an actual calculation of how to determine the savings being projected. He stated that in the budgets year over year, the electricity costs for the City had never gone down, even after the work completed by Johnson Controls. He said he had asked this question a number of times, but had never received a straight answer. If they were going to continue with this, he wanted to know how to calculate savings. If they were making the assumption that the City would save 35 percent on electricity in the City's budget year after year, it would be an incorrect assumption, and they would be woefully short during budget time at the end of the year.

Chairman Moody said these were items on which the Committee needed more clarity. Councilmember Wilson said that, from a previous Johnson Controls contract, the City spent a substantial amount of money on solar panels for the James Island, W.L. Stephens, and MLK pools. She asked for a refresher from staff on the figures from the old phase of the contract and exactly what the City spent. This factored into the MLK pool enclosure discussion, which was substantial. Councilmember Waring said he believed this was a forward-looking proposal, and the goals were moving in the right direction, but the Sustainability Advisory Committee had also discussed assessing the W.L. Stephens Pool, along with the Herbert Hasel Pool on James Island, both from an efficiency standpoint.

Councilmember White said Councilmember Wilson triggered his memory on another item to be addressed, which was the work that needed to be completed at City Hall, related to the geo-thermal equipment installed when the renovations were completed. He recalled that Johnson Controls was involved in specking this out and giving the City guidance. The document before the Committee stipulated that it was not designed to the right parameters, and

the City was having to go back and fix it again. If he was correct, he wanted clarity because he thought this would be a warranty issue that Johnson Controls should carry.

On a motion of Mayor Tecklenburg, seconded by Councilmember Lewis, the Committee on Ways and Means voted unanimously to defer taking action on Amendment IV to the 2001 Johnson Controls Energy Performance Contract.

Chairman Moody suggested that the matter go back to the Sustainability Advisory Committee for them to look at the numbers and then send it back to the Committee on Ways and Means and Council. Mayor Tecklenburg said the Committee discussed this, and they felt like they were favorable to the goals and objectives, so long as these contingencies were worked out. Chairman Moody said if he was not on the Committee, and it came before them at the next meeting, they would have to spend a lot of time at Ways and Means reviewing this to be sure that it had been satisfied. A Committee report which stated the items had been reviewed might save some time.

Councilmember Seekings did not think bringing the matter back to the Sustainability Advisory Committee was a bad idea. The earlier meeting was put together quickly, and they had some people absent. They had expertise on the Committee outside of the political arena, including a representative from SCE&G, and he wanted to have him weigh-in on the amendment. He said if there was no objection from the Committee on Ways and Means, he thought it should go back to the Sustainability Advisory Committee, and they could bring it back to Ways and Means.

**5. POLICE DEPARTMENT: APPROVAL TO SUBMIT THE 2017 EDWARD BYRNE JAG GRANT APPLICATION, TO OJP (FY17 ALLOCATION: \$22,204) FOR A SINGLE-PURPOSE EDT K9 AND SAFETY UPGRADE TO CONTAINMENT VESSEL. THE PROJECT COST IS \$22,847. CPD WILL REQUEST A MATCH IN THE AMOUNT OF \$643 TO BE BUDGETED FOR IN FY 2018. DUE TO TIME CONSTRAINTS THIS GRANT WAS SUBMITTED ON SEPTEMBER 5, 2017. (SEE CITY COUNCIL AGENDA, PUBLIC HEARINGS – AGENDA ITEM, E-1)**

On a motion of Councilmember White, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve to submit the 2017 Edward Byrne JAG grant application, to OIP (FY17 allocation: \$22,204) for a single-purpose EDT K9 and safety upgrade to containment vessel.

**6. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO ACCEPT A GRANT AWARD FROM SC HUMANITIES IN THE AMOUNT OF \$3,000. FUNDS WILL BE USED TO SUPPORT PROGRAMS OF THE FREE VERSE FESTIVAL. A CITY MATCH IN THE AMOUNT OF \$3,000 IS REQUIRED. MATCHING FUNDS WILL COME FROM PAID ADMISSIONS AND DONATIONS.**

On a motion of Councilmember Lewis, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve to accept a grant award from SC

Humanities in the amount of \$3,000.

**7. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO APPLY FOR FUNDING FROM THE NATIONAL ENDOWMENT FOR THE ARTS OUR TOWN GRANT IN THE AMOUNT OF \$50,000. FUNDS WILL SUPPORT CANNON STREET CANON, CREATING COMMUNITY-GENERATED ARTS AND HERITAGE PROJECTS EXPLORING THE HISTORY OF CANNONBOROUGH-ELLIOTBOROUGH AND CHARLESTON. THE FULL APPLICATION WILL BECOME AVAILABLE SEPTEMBER 25<sup>TH</sup>, WITH A DEADLINE OF OCTOBER 2<sup>ND</sup>. A CITY MATCH IN THE AMOUNT OF \$50,000 IS REQUIRED. MATCHING FUNDS WILL COME FROM 2018 GRANTS AND EARNED REVENUE.**

On a motion of Councilmember Mitchell, seconded by Councilmember Lewis, the Committee on Ways and Means voted unanimously to approve to apply for funding from the National Endowment for the Arts Our Town Grant in the amount of \$50,000.

**8. THE COMMITTEE ON PUBLIC WORKS AND UTILITIES: (MEETING WAS HELD SEPTEMBER 25, 2017 AT 4:00 P.M. AT CITY HALL, FIRST FLOOR CONFERENCE ROOM, 80 BROAD STREET)**

- An ordinance to amend the Code of the City of Charleston Chapters 7, 12, 13, and 24 to update permitting fees for the City's Building Inspections Division of the Department of Public Service and Fire Marshal's Division of the Fire Department.

Councilmember White said this was the permitting fee for the inspection division, and he thought part of this amendment was removing the fee waiver for homeowners doing work under \$1,000 on their homes, as long as they made certain stipulations, and he asked if this was correct. Chairman Moody confirmed. Councilmember White said he was not sure what the reason was for removing this, but the permitting division was already inundated. He was not sure the timing was right for the City to remove this from the ordinance and create more work for an already burdened staff on projects that were under \$1,000 for homeowners. He asked if he built a \$200 deck on the back of his house, if this meant he had to pay a permit fee. He did not think the timing was prudent.

Mayor Tecklenburg said the main purpose of the ordinance was to adjust and amend the City's fees that had not changed since 1997. Edye Graves said they had not changed since 1996. Mayor Tecklenburg said the City was under market in terms of what other jurisdictions were charging, and the City wasn't really covering its costs, which it was allowed to do under law. That was the real purpose of the ordinance, and he asked Ms. Graves to address the issue raised by Councilmember White. Ms. Graves said they did not take out this provision because it had always been there. If someone was doing work under \$1,000, there was a \$20 permit fee, and now it would be a \$40 permit fee. She said Councilmember White's example about the deck required a permit, and it had an inspection associated with it. Councilmember White stated that in the ordinance which was in the packet, this section had been redlined out, the entire section about homeowners and work being completed under \$1,000. He did not see

it referenced anywhere else in the ordinance. Ms. Graves said she believed it was still in the ordinance. Councilmember White said he could support the ordinance as long as everyone was in agreement. He made a motion to approve the ordinance, as amended, less the changes to homeowner improvements under a \$1,000, and leaving that language in the ordinance. Chairman Moody asked if Councilmember White meant that there would be no fee, and Councilmember White confirmed stating he wanted that portion left as is. Councilmember Waring seconded the motion.

Councilmember Shahid said, according to what he was reading and saw at the Public Works and Utilities Committee meeting, the attachment had the application fee at a baseline of \$40, and then for projects of \$1,000 or less, an application fee of \$40.00, as well. He wanted clarification on what Councilmember White was requesting. Councilmember Seekings said Councilmember White wanted to get rid of it. Councilmember Shahid said he understood this, but it was already in the ordinance, and that fee had already been included. Councilmember White said he was referring to page 3, Section C and the verbiage associated with homeowners who intended to complete the work themselves and being exempt from any fee. He thought they should be exempt, period. If someone wanted a permit to do commercial work for someone, and the homeowner was not completing the work on their own, that was fine, but if the City had homeowners that were doing random work, which many people did, he did not think homeowners should be required to come downtown and pay \$40.00 to get a permit. This did not make sense to him because \$40.00 a person would not even affect the City's budget by a rounding error. He agreed with everything else, but he thought this was the one item the City might be short-sighted on in taking out.

Councilmember Gregorie asked to hear from Ms. Graves. Ms. Graves said she wanted to explain the part of the ordinance that was struck-through. This had to do with a State law. A homeowner that did his or her own work, if it was over a certain dollar amount, had to register with the RMC Office in Charleston County, or Register of Deeds in Berkeley County, as a non-licensed contractor. This then went on the property's deed forever that work was done without a permit. Routine repairs such as painting or replacing cabinets did not require a permit. The only time a homeowner would be required to get a permit would be when an inspection was required, if Zoning was required to look at it, or if it had to go through BAR. Chairman Moody said this made a difference. Councilmember Seekings said there were a lot of items under \$1,000 that had to go through BAR. Chairman Moody asked how they could be sure that language would stay in the ordinance and asked if they needed to refer to State law or include that language. Councilmember White said the bottom line, to him, was if he was a homeowner doing work under \$1,000, he did not want a fee, and he did not think anyone else should be charged a fee. Ms. Graves stated that the Building Code listed what projects were required to have permits and what was not required.

Chairman Moody stated he wondered, with State law and the Building Code being what it was, if they really need the amendment to the ordinance. Councilmembers Seekings, Shahid, and Riegel said 'no.' Chairman Moody said the Committee needed more clarification. Councilmember White said this had been in the ordinance for a number of years, and it certainly

had served the intended purpose, so unless something had changed where it was no longer applicable, State law or otherwise, he just assumed they could leave this one portion of the ordinance as it currently existed. As long as it addressed this one issue, that was all he cared about. The Clerk asked Councilmember White if he was withdrawing his amendment, and Councilmember White said his amendment stood.

Councilmember Seekings asked for clarification on the amendment. Councilmember White said he was willing to approve the bill, but he wanted to amend the ordinance so that the City left in the ordinance the exemption for homeowners who did work on their homes under \$1,000, as it currently existed today.

Susan Herdina, Deputy Corporation Counsel, asked if it was a matter that required inspection, was he still asking for the application fee to be waived if it was under \$1,000 or less. Councilmember White said that on page 3 of the ordinance, everything that was redlined related to homeowner exemptions needed to be remain in the ordinance. Chairman Moody asked legal counsel to weigh-in before the Committee voted. Councilmember White said he was referring to page 3, Section C, and the language which began with "except that no fee other than an application fee shall be charged . . ." He said it then stipulated in items (i) through (vi) what was required in order to qualify as a homeowner, which included doing the work on their home and being under a total of \$1,000, no structural changes, no inspection being required, and work that was not started or proceeded with prior to obtaining a permit. He wanted those items to remain and have the strikethroughs removed from that language. Chairman Moody stated that the amendment began on page 3, and the language which began "except that . . ." in Section C should be left in the ordinance. He said Councilmember White's amendment was to remove the strikethroughs, so that those items were still a part of the ordinance. That is what they were voting on, to leave the language as is, without the strikethrough in Section C.

Ms. Herdina said that this language did say an application fee could be charged. She wanted to make sure that the Committee was clear because if it accepted the language back into Section C, which is what Councilmember White was proposing, that was basically what the current fee schedule provided. Chairman Moody said the \$40.00 could still be charged, and Ms. Herdina confirmed. Councilmember White said he wanted it to remain exactly the same. Ms. Herdina said if that was the case, she did not think an amendment needed to be made to the fee schedule. Chairman Moody said the Committee needed to vote for the amendment, and if they were in favor of Councilmember White's proposal, the Committee needed to vote in favor of the amendment to remove the strikethrough. Ms. Herdina said the schedule that the Committee was being asked to adopt basically did the same thing as the struck-out language. She explained that it said there was an application fee of \$40.00 which was allowed for, and Councilmember White was suggesting if it was \$1,000 or less, there should be no charge. Councilmember White thanked Ms. Herdina for the clarification. He said he did not realize that was in the table, and he thought the application fee, the \$40.00 for homeowners that met the stipulations, should be removed. Chairman Moody asked Councilmember White if he was withdrawing his amendment, and Councilmember White said he was not. He said if the strike-through language was left in, they should not include the application fee in this language,

so that the City would not charge a \$40.00 application fee. Ms. Herdina repeated that he did not want to charge the application fee, and he confirmed.

Councilmember Gregorie asked if anyone had figures on how much the City would be losing as a result of the change. Ms. Graves said she did not have these figures, but an hour of staff's time was about \$32.00. Councilmember White said the City sometimes passed ordinances that were not being adhered to. The amount of money that the City may or may not be able to collect now he could not imagine being significant, and he did not think this would make a big impact. He thought the rest of the changes were fine, but he thought they needed to be a little more lenient with homeowners.

On a motion of Councilmember White, seconded by Councilmember Waring, the Committee on Ways and Means voted to amend Item #8 to remove the strikethroughs on pages 3 and 4, Section C, and to remove the application fee.

The vote was not unanimous. Councilmember Shahid voted nay on the amendment.

On a motion of Councilmember White, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to recommend giving first reading to the following bill, as amended:

*An ordinance to amend the Code of the City of Charleston Chapters 7, 12, 13, and 24 to update permitting fees for the City's Building Inspections Division of the Department of Public Service and Fire Marshal's Division of the Fire Department. (AS AMENDED)*

Mayor Tecklenburg said he wanted to note for Council and citizens that the fee increases did have an exemption for new construction of affordable housing, as certified by the City's Department of Housing and Community Development.

**9. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD SEPTEMBER 26, 2017 AT 4:00 P.M. AT GIBBES MUSEUM OF ART, 135 MEETING STREET)**

- a. Request authorization for the Mayor to execute the attached Supplemental Lease Agreement between the City of Charleston and the U.S. Coast Guard which is an annual renewal of an existing 10-year lease agreement. The U.S. Coast Guard desires to continue to use a platform area approximately 5'X5' mounted on top of an 18" diameter steel pile adjacent to the Maritime Center Pier for use as a navigational range light. U.S. Coast Guard also desires to use an optic mounted on a 15' tower bolted to the rear top deck of the Charleston Municipal Aquarium Garage for use as a navigational range light. [TMS: 459-00-00-169 and 459-13-04-001; 10 Wharf Side Street (Charleston Maritime Center Pier), 24 Calhoun Street (Charleston Municipal Aquarium Garage)]
- b. Consider the following annexation:



- Property on Grimball Road (TMS# 334-07-00-048) 7.15 acres, James Island (District 6). The property is owned by St. James Foundation.

Councilmember White, Chair of the Committee on Real Estate, reported that the Committee met earlier that day and considered two items. One was an authorization for the Mayor to execute a supplemental lease between the City and the U.S. Coast Guard, and the second was an annexation of property on Grimball Road. Both items were approved unanimously.

On a motion of Councilmember White, seconded by Councilmember Lewis, the Committee on Ways and Means voted unanimously to adopt the report of the Committee on Real Estate.

The Committee on Ways and Means recommended giving first reading to the following bill:

*An ordinance to provide for the annexation of property known as property on Grimball Road (7.15 acres) (TMS# 334-07-00-048), James Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 6. The property is owned by the St. James Foundation.*

There being no further business presented, the Committee on Ways and Means adjourned at 5:15 p.m.

Jennifer Cook  
Assistant Clerk of Council